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December 21, 2007

Pauline Bickley
Office Manager
Western Lewis-Rectorville Water and Gas District
8000 Day Pike
Maysville, KY 41056-9344

CERTIFICATE OF SERVICE

RE: Case No. 2007-00507
Western Lewis-Rectorville Water and Gas District

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on December 21, 2007.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/rs
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)
FILING OF WESTERN LEWIS-) CASE NO. 2007-00507
RECTORVILLE WATER AND GAS DISTRICT)

ORDER

On May 12, 1993, in Case No. 1992-00331, the Commission approved rates for Western Lewis-Rectorville Water and Gas District ("Western Lewis") and provided for their further adjustment in accordance with Western Lewis's Gas Cost Adjustment ("GCA") clause.¹

On December 10, 2007, Western Lewis filed its proposed GCA to be effective January 1, 2008. Western Lewis requests a waiver of the 30-day notice period in order to incorporate a recent price change from its supplier. As KRS 278.180 permits the Commission to shorten the required notice period for good cause, the Commission finds the request should be granted.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Western Lewis's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Western Lewis's notice sets out an Expected Gas Cost ("EGC") of \$8.9519 per Mcf, which is a decrease of \$.1550 per Mcf from its prior EGC of \$9.1069.

¹ Case No. 1992-00331, The Application of Western Lewis-Rectorville for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities.

3. Western Lewis's notice sets out no refund adjustment.

4. Western Lewis's notice sets out a current quarter Actual Adjustment ("AA") of (\$.0386) per Mcf. Western Lewis's total AA is (\$2.1865) per Mcf, which is a decrease of \$.0406 per Mcf from its previous total AA.

5. Western Lewis's notice sets out a current quarter Balance Adjustment ("BA") of (\$.0255) per Mcf. The current quarter BA should be a positive number rather than a negative figure. Correcting for this error produces a current quarter BA of \$.0255 per Mcf. Western Lewis's total BA is (\$.1023) per Mcf, which is an increase of \$.1029 per Mcf from its previous total BA.

6. Western Lewis's Gas Cost Recovery Rate ("GCR") is \$6.6631 per Mcf, which is a decrease of \$.0927 per Mcf from its previous rate of \$6.7558.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Western Lewis on and after January 1, 2008.

IT IS THEREFORE ORDERED that:

1. Western Lewis's proposed rates are denied.

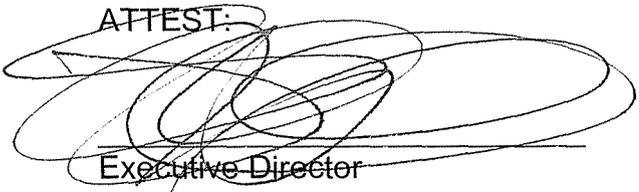
2. Western Lewis's request to shorten the period in which it must provide notice of the proposed adjustment from 30 days to 20 days is granted.

3. The rates in the Appendix to this Order are approved for billing for service rendered on and after January 1, 2008.

4. Within 20 days of the date of this Order, Western Lewis shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 21st day of December, 2007.
By the Commission

ATTEST:



Executive Director

Pauline Bickley
Office Manager
Western Lewis-Rectorville Water
and Gas District
8000 Day Pike
Maysville, KY 41056-9344